

October 15, 2006

BY ECFS

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
The Portals  
445 - 12th Street, SW  
Washington, DC 20554

RE: WC Docket No. 06-74, AT&T Inc. and BellSouth Corporation Applications for  
Approval of Transfer of Control

Dear Secretary Dortch:

I would like to commend you and the commission for making the documents associated with this application available to the public. However, physical access and intellectual access diverge when parties contributing to the discussion insist on using undefined acronyms and industry jargon. I have formed an opinion about the proposed merger, but it was harder than it should have been. Maybe one day the lawyers will figure out why they score so poorly on the surveys of professional admiration. At least the used car dealers have someone to scoff at.

AT&T and BellSouth would like to define their relevant market as everyone buying and selling voice, Internet, and video data services across their entire geographic service area. However, the working definition of a market is the set of businesses and consumers that sets the price in an exchange. If the AT&T/BellSouth definition were true, then BellSouth would not be earning the economic profit that makes their valuation worth a \$10B premium and AT&T would not be earning the kind of economic profits that would allow them to eagerly pay a \$10B premium to acquire BellSouth.

The real market is broadband data access to households, and in this market there are very few competitors. I have two modes of access for broadband data into my household; wireline, and cable. The eight or nine companies who would like to provide service to my household all have to ride on one of those two wires. When the companies who control access to those two wires make it more expensive for the competitors to serve my household, they effectively set the market price. A company with the power to set the market price has monopoly power and commands a premium when they are acquired. If BellSouth already has monopoly power (\$10B premium), then combining them with AT&T to make an even larger firm seems at odds with the intent of US anti-trust law.

The merger provisions proposed by CompTel seem to set out some steps that will provide some protection for consumers by ensuring a competitive marketplace for a few years while innovations from alternate technologies get tested in the marketplace. I would support adopting those provisions as a condition of application approval.

Sincerely,  
Philip Moore  
Citizen and consumer